

HJ
98
H61

REIGN OF HIS MAJESTY KALAKAUA—SEVENTEENTH YEAR.

BIENNIAL REPORT
OF THE
AUDITOR-GENERAL
TO THE
HAWAIIAN LEGISLATURE
SESSION OF 1890.



HONOLULU:
BULLETIN STEAM PRINT.
1890.

ERRATA.

Page 10, under heading, "The Deputy Superintendent of Public Works," second paragraph: "Section 9" should read "Section 19."

Page 30, fourth line of last paragraph of "Board of Health," "not likely" should read "not unlikely."

Exchange
Library of Hawaii
1-8-56.

BIENNIAL REPORT
OF THE
AUDITOR-GENERAL
TO THE
HAWAIIAN LEGISLATURE,
SESSION OF 1890.
WITH APPENDIX.

OFFICE OF THE AUDITOR-GENERAL,
HONOLULU, May 17th, 1890. }

Nobles and Representatives:

In presenting my report for the biennial period ending March 31st, 1890, in accordance with the duty imposed upon me by the Audit Act, my aim will be to bring to the attention of your Honorable Body such matters as especially appertain to the receipts and expenditures of the revenues of the Kingdom; to exercise the right granted and obligation enforced upon me to criticize, without fear or favor, for your information and judgment, such matters of interest or importance to the tax payers as have come under my immediate purview; and to suggest for your consideration and action possible methods of remedying apparent defects in the system of administering the finances of the Kingdom.

All correspondence bearing upon the remarks and observations made by me in this report I have placed, with a view to your convenience in reference and study, in the Appendix.

The experience of the Legislature has proven that the position of Auditor-General, while one of high honor and emolument, is also one of onerous responsibilities which, at times, compels the incumbent, as "Watch dog of the Treasury," to antagonize important influences in the discharge of a public duty as a public servant.

As in this report, it is not unlikely that I shall be compelled to place myself upon record as disagreeing with the desires and almost mandates of His Majesty's Cabinet in some matters, I desire your Honorable Body to distinctly understand that no statement made by me in this report is intended, directly or indirectly, to reflect upon or impugn the honest intentions of the Ministry to administer their public duties as honest servants of His Majesty the King and the people, or their personal integrity.

My contention is that while in some instances no detriment may have resulted to the public service, yet in others the intent both of the law and the appropriations has been violated in opposition to the expressed will of the Legislature and inconsistent with a fair administration of the revenues of the Kingdom, and the Legislature consequently is the authority to decide upon the merits of the facts which I have the honor to endeavor to place impartially before your Honorable Body.

Under pressure of official duties, and the clerical work attaching thereto compelling very much extra labor out of office hours, and yet which work could not be performed satisfactorily except by the Auditor personally—I have found it impossible to spare the time necessary to systematically examine into the books and accounts of each Bureau such as the Custom House, Post Office, Water Works, etc., as to do that would have required the work of one man constantly, but have depended upon the sworn statements from the Bureaus and Departments supported by the proper vouchers, all of which have been duly compared with the finance records for verification.

In connection herewith and for the benefit of such members of your Honorable Body as may not have a thorough conception of the duties of the Auditor-General and the work of his office, I hereby cordially invite an inspection of my books and records at all reasonable hours.

I have some satisfaction in being able to report an improvement in connection with all receipts and disbursements of revenue, and a growing tendency to comply with the requirements of the law from all sources amenable thereto; strong efforts having been made to correct abuses enumerated in a former report. If results have not been quite as satisfactory as could have been desired, I can but endeavor to place before your Honorable Body wherein they have failed to be so.

In the administration of my duties as Auditor-General there has been but little friction between the members of His Majesty's Cabinet and myself with the exception of His Excellency the Minister of the Interior, and this has been caused, principally, through the persistent efforts of His Excellency to continue public works after the appropriations for them had been expended, at the expense of other unexpended appropriations.

This conduct appears to me to be in violation of law, the ruling of the Supreme Court and the usages governing all enlightened Governments founded on Legislative will and business-like practice.

Being debarred from the right possessed by other officials under the Constitution, including the King, the Legislature and His Majesty's Cabinet, of appealing to the Judiciary for advice, I have had, consequently, to rely largely upon my own judgment which I do not assume to be infallible.

Having had as yet no opportunity to examine the report of His Excellency the Minister of Finance I am unable to explain it to your Honorable Body, as required by law; nor do I for one moment suggest that this will be necessary,

feeling assured that it will contain full details of the receipts and expenditures of the revenue, together with statistics and other valuable data only to be collated from the Treasury records, and from various other sources.

While, consequently, I have not considered it either necessary or a part of my duty to duplicate them, yet, I desire to place some figures and comparative statements before your Honorable Body, of certain receipts of the Treasury, such as fines and costs, taxes, etc., in the supervision of which collections I am, more or less, constantly employed, and which may prove of interest.

THE TREASURY.

I will now proceed to state that the books in the Treasury agree with such records, statements and vouchers as are on file in the Audit Office and are correct, to the best of my knowledge and belief; but I much regret to have to add that such vouchers by no means represent or cover the total expenditures as recorded by the Auditor.

The figures of the difference must be obtained elsewhere owing to the fact that large amounts have been drawn from the Treasury on account of the Appropriations for "Roads and Bridges" and "Road Taxes unexpended" in the outer Districts for which no vouchers have ever been presented to me or received my approval. I shall, however, again refer to this matter.

As in my former report I again desire to call the attention of your Honorable Body to the fact that although the Minister of Finance is enjoined in the 19th clause of the Audit Act as follows: "Provided, that no such payments shall be made by the Minister of Finance, or by his authority, except sums voted for the Civil List, Permanent Settlements and Salaries, unless the several accounts therefor shall have been previously countersigned by the Auditor-General," yet under the present system, as no evidence

accompanies the Minister's draft to the Treasury to show that vouchers for the amount specified therein had been so approved, it is evident that the law is ignored and that the Minister, or any Minister of the Crown, can, on his simple draft alone, draw out a portion or the whole of any appropriation in the Treasury although there may be no vouchers in existence to back his draft.

This possibility is one I cannot fail to condemn in the strongest terms, and to express the great importance I attach to the requirements of the above clause in the Audit Act being carried out. If such duty were faithfully discharged it would be impossible to draw money unlawfully except with the assent and connivance of at least three parties—the Minister, Auditor, and Registrar of Public Accounts.

The evasion of this important law is the more surprising if Section 32 of the Audit Act be considered, for that especially provides for the promulgation of such regulations by the Minister of Finance and Auditor-General as would establish some easy method by which the Registrar of Public Accounts could at once decide whether the law was being obeyed or not.

I offered the former Minister of Finance, Hon. W. L. Green, the opportunity of co-operating with me in framing such regulations, but he treated my offer with indifference, while the present Minister answered that he had every confidence in his colleagues not drawing against any appropriation in the Treasury unless vouchers for the same had been first approved by the Auditor.

But, however firm and true may be our confidence in the present Ministers, would it not be well to establish some well-defined precedent or rule in the matter as a guide for those who follow and may not always be in such good accord or in such a fortunate position.

FINES AND COSTS.

I now desire to place before your Honorable Body some comparative statistics of the receipts of revenue into the Treasury, and will first take up those of Fines and Costs from all sources.

The promptness attending their collection ; the large increase over the former biennial period, and also near approach to the estimates for 1888 and 1889, as shown by the following statements ; with the marked improvement in rendering statements to the Auditor, should be especially gratifying to all interested in systematic government. I am well pleased that my efforts in this direction have earned such good results.

The large increase in opium smuggling since the non-issuing of Licenses and the heavy penalty inflicted on conviction has no doubt materially affected the receipts.

Total fines and costs collected 1888, '89.	\$123,647.08
“ “ “ “ “ 1886, '87.	92,298.89
Increase of collection over period 1886, '87.	\$31,349.19
Estimated receipts for 1888, '89	125,000.00
Collected for 1888, '89	123,647.08
Receipts short of estimates 1888, '89.	1,352.92

I cannot close this subject without reporting that for the two years ending March 31st, 1890, there are no delinquents of Fines and Costs, and that the statements in each case now on file were duly attested promptly within the period ; a record deserving of praise.

POSTAL SAVINGS BANK LOAN.

That the Hawaiian Postal Savings Bank Loan has proved not only a great boon to many thrifty laboring men but to some capitalists with limited means as well is unquestionable.

Whether, however, what promised to be a most convenient method of loan to the Government, as cheap as any other if not cheaper, has been so to the extent anticipated, I think may well be questioned.

The cause is unavoidable and easily explained.

For notwithstanding its local character and the fact that the fund accumulated in the Treasury day by day, yet as the receipts became far in excess of the immediate requirements of the Government they could not be controlled, leaving as an inevitable result a large surplus of idle loan drawing interest at 6 per cent.

This diminished, to a great extent, the advantages that this loan was expected to yield over and above one negotiated abroad, which usually provides for large amounts being paid at definite periods, and while of necessity creating a surplus yet not an unforeseen one.

Had it been foreseen that this indefinite loan might swell to proportions beyond all control, thereby creating a contingency, no doubt the framers of the law would have made due provisions to meet it.

This not having been done there is, perhaps, no remedy left except through Your Honorable Body, to whom I most respectfully urge prompt legislation to relieve the general tax-payers of the Kingdom from being indirectly mulcted to the tune of 6 per cent. interest, compounded half yearly, on a borrowed surplus, $4\frac{1}{2}$ per cent. of which is applied to meet interest due to original depositors, on deposits in the Postal Savings Bank, which are free from taxation.

As prior to 1888, this loan was placed on general deposit in the Treasury, and paid out indiscriminately, it would be difficult to fix a basis, from which an average interest account could be figured, even approximately; but the balance \$246,997.06 of surplus on hand in the Treasury. as of March 31, 1890, which has probably never been less than \$50,000, and often very much more, would indicate that at

6 per cent. interest, the actual cost during the four years since 1886, for the luxury of possessing overflowing coffers, must have reached a very large figure. About the only redeeming feature attending this unlooked for expense, is to be found in the encouragement given, and facilities offered our mechanics, laboring men, and others, to invest their savings at a rate of interest, which, if not large, guarantees a certain fixed return.

The amount voted by the last Legislature to meet the interest on this loan was \$40,000, which amount has been overdrawn \$19,493 79 under the provisions of Section 9, of Chapter XLVI. of the Session Laws of 1884, and Section 8 of the Appropriation Act of 1888.

REVENUE STAMPS.

Section 22, Chapter XX. of the Session Laws of 1888, contains the following provisions in regard to Revenue Stamps : "For the convenience of the districts outside of Honolulu the Registrar of Public Accounts shall provide adhesive stamps to the Postmasters of all Money Order Offices throughout the Kingdom, they giving receipts for the same. Such Postmasters shall sell said stamps to all applicants at par, being bound upon the first day of each quarter to account to the Registrar of Public Accounts for all such stamps received by them, the amount sold and the balance unsold, together with the proceeds of all such sales."

While the intent of the law was good it has been difficult to obey it. It has not been strictly enforced except in one or two instances, although the demand for stamps has been met, I believe, promptly, but through a different channel.

To exact bonds from the Registrar of Public Accounts, in charge of the revenue of the Kingdom, and then force him to turn over Revenue Stamps representing coin and rev-

venue, to all the Postmasters of the Kingdom on their demand and receipt alone is not just to that officer nor is it wise political economy.

An investigation into this matter also might be of use in ascertaining whether there are any defects in the law or in its administration.

I feel justified in condemning the prevailing tendency to subordinate the Treasury Department into a vast book-keeping establishment for the whole Government for the recording not only of all legitimate transactions of the Finance Department, but also of much unnecessary matter or such as properly belongs to some other Department. The standard of the Treasury archives should be irreproachable and not be subject to corrections at will.

I point to the Revenue Stamp Law and Road Board Law, as illustrating two instances which necessitate the opening of numerous accounts to be kept open indefinitely in the Finance office books.

The former, if strictly obeyed, requires about thirty accounts to be kept while only one is required if the business is transacted through the Postmaster-General as at present.

The Road Board law necessitates not only the keeping of about twenty-four different accounts, one with each Chairman of Road Boards, but an amount of surveillance that should not be called for arising solely from the following causes.

The Road tax on "Special Deposit" in the Treasury can be drawn out only by the drafts of the Chairmen, many of whose signatures are never twice alike, and yet their drafts being freely circulated and endorsed from one to another all over the Kingdom, have time and again been presented at the Treasury for payment by Chinamen, and others impossible to identify, rendering the possibility of fraud only too apparent,—while the overdrafts presented at the Treasury, and not honored, indicate that many of these Chairmen

of Road Boards were careless in their book-keeping, and expected to find the Treasury equally so.

All of this uncertainty and trouble might well be avoided if the Minister of the Interior signed the drafts against "Special Deposit" upon the requisition of the Chairmen, who would, naturally, then account to the Interior Office for the amount paid to him, and at once avoid the anomaly existing under the present system, by which the Chairman draws from the Treasury, and accounts to the Interior Office where it is not known how much he had drawn, as in the Treasury it is not known how much he has accounted for.

THE DEPUTY SUPERINTENDENT OF PUBLIC WORKS.

The next subject I desire to bring to the notice of your Honorable Body concerns, I believe, the Minister of Finance and the Minister of Interior alike.

Section 9 of the Audit Act exempts salary drafts and vouchers from the approval of the Auditor-General before payment, but nothing contained in this, or any other, clause can be construed to debar the general supervision of all receipts and expenditures by the Finance Department from him, but on the contrary he is authorized to search any book or record therein, and it is made a part of his duty to point out and rectify, if possible, any error that may come under his notice. Feeling satisfied, therefore, as to my duty I could not well act otherwise in the following case than I have done.

The last Legislature voted the sum of \$4,800 for two years salary of the "Deputy Superintendent of Public Works," intending, no doubt, to provide for an able assistant fully competent to fill the Superintendent's place during his absence, and one with a general capacity both in office and field.

Now, although no deputy has been, to my knowledge, appointed the salary, or a large portion thereof, has been drawn from time to time irregularly and paid to half a dozen individuals, more or less, who, the Superintendent of Public Works informed me personally, were performing the deputy's duties satisfactorily and to the advantage of the public service.

To this assertion, I desire to take exception, as the duties pertaining to a Deputy Superintendent of Public Works have not been so performed by the combination employed in lieu thereof, but, on the contrary, the public service has been deprived of an efficient and a necessary officer in a Bureau, the workings of which have been notoriously inefficient to all who have had any dealings directly with it.

The retainers mentioned have been variously employed in and about the office of Public Works in Honolulu and also, I believe, upon other work throughout the Kingdom, such as the "Road from Lahaina to Wailuku," a work duly provided for in the Appropriation Act under that heading in the sum of \$15,000, and from which amount all the expenses of work performed on that road should be drawn.

So that, I contend, in working any of these retainers on that road at the cost of "Salary of Deputy Superintendent of Public Works," a double error has been committed, inasmuch as the Salary has been drawn for an Official who did not exist and applied to supplement a work otherwise specifically provided for by the Legislature.

And although I have protested time and time again not only to the predecessor of the present Minister of Finance, to the present Minister himself, and to the Minister of Interior, the two last named continue the one to draw and the other to pay.

The Minister of the Interior contends that it being a Salary it does not fall within my jurisdiction.

His Excellency the Minister of Finance, however, ap-

peared to view the subject differently from his colleague, although he continued to support him, and prompted no doubt by a keener sense of justice, and urged on by my repeated protests, obtained a ruling from the Supreme Court, the result of which His Excellency informed me on December 27th supported the stand I had taken, in which he agreed, but that so long as the Minister of the Interior saw proper to draw the salary of Deputy Superintendent of Public Works, trusting to his statements and explanations to your Honorable Body for approval, nothing more could be done, or in other words that while he felt satisfied that the Minister of the Interior was wrong, and the Supreme Court had so ruled, he was not prepared to raise the issue with his colleague but would continue to pay his drafts which he has done up to the present writing.

This points to a defect in the Audit Act which should be remedied to make the Auditor's efforts more efficient, as he is, as I have before stated, practically debarred from appealing to a higher authority for a ruling in his own defense, while a Minister of the Crown may, if so disposed, direct or transfer the bulk of any appropriation in his Department to such purposes as he may see proper, leaving the Auditor simply the power of protesting until the fund is exhausted.

I trust that your Honorable Body will recognize the importance of the principle involved in this salary matter, and the possibility of its being so extended that if a Minister can act as represented with a specific salary appropriation by the Legislature, he can with equal right use this same authority to affect the salary of every individual in his employ, and carry it out to the extent, even, of dividing their salaries between himself and them by secret arrangement.

The inconsistency displayed in this salary question becomes more glaring when brought into comparison with the stand taken by the Cabinet in regard to the salary of His

Majesty's Chamberlain, which has only been paid under a legal decision after considerable litigation, although the duties had been performed presumably to the satisfaction of His Majesty from the time of his appointment. In this case an official duly appointed, and with a salary authorized by the Legislature, is refused the payment of his salary, while in the other, the salary is drawn without an official being appointed.

ADVANCE DRAFTS.

I now desire to return to the subject previously alluded to in this report in connection with Public Works, and more especially with Roads and Bridges in the country districts, with the view of drawing your attention, particularly, to the method employed, by which large sums are drawn from the Treasury in advance to settle weekly pay-rolls when neither the latter nor any other legitimate vouchers are presented till long afterwards, and consequently never receive my approval.

That the requirements of the law have not been obeyed, can be readily understood if it be considered how much easier it is to draw money on one's simple order alone and then to account for it at leisure, rather than to be troubled with weekly pay-rolls in advance on the grounds that they cannot be made out. If the money was not forthcoming until the vouchers had been produced, they would be quickly produced.

I claim that if the pay days were regulated sufficiently ahead to allow the pay-rolls to be sent to Honolulu for approval there need not be one dollar drawn except upon properly approved vouchers in accordance with the law, nor would there be large amounts of Government revenue floating around in each and every section of the Group for which no voucher is on file in the Interior Office, for the time being, except orders from the Chairmen of Road Boards.

As an illustration of the unsatisfactory result of a system which might well, I think, be altered to comply with the law, I will state that for nearly the entire expenditure on Roads and Bridges drawn from the Appropriations throughout the Kingdom by the various Road Boards for one year ending March 31, 1889, and amounting to a very large figure, no statements or vouchers whatever were presented to me for approval before June 22, 1889, or nearly 15 months after the first money was drawn ; all of which I had to decline to approve as being entirely irregular.

I cannot be expected to approve illegal acts, and there can be no question that all this delay in accounting can be attributed to the deliberate breaking of the law in the first place, for if the Minister of the Interior declined to draw against appropriations in the Treasury, except upon pay rolls and vouchers first approved, nothing further would be required and it would be unnecessary to wait a year or so for statements.

Not having had an opportunity of examining for myself the results in road building under the Road Board Law, I am unable to judge of them, but one fact seems to be agreed upon and that is that the Plantation interests have not been neglected.

And yet, I cannot help thinking that there is room for much change and improvement in the present system, and that both the power vested in the Chairman of Road Boards to draw against Road Tax on "Special Deposit" in the Treasury at his pleasure and accounting at his leisure, the form used for making statements and the lack of knowledge and experience cause unnecessary friction and delay.

It has been customary during the last period to draw from the Treasury "Road Taxes Unexpended" in a similar manner to "Road Tax" on special deposit, viz., by draft drawn by the Chairmen of Road Boards, although the former having been re-appropriated by the Legislature

should be treated like any other appropriation, and drawn in like manner.

But as I have before stated it is so much easier to draw first and furnish vouchers afterwards at leisure, that this method has prevailed, and to such an extent that the balance of Road Tax unexpended, Kau, amounting to \$7,230.41 was drawn from the Treasury on March 28, 1890, presumably with the view of carrying on road work in that district during the interim.

It might be well to enquire by what authority this balance was drawn and where deposited. - If with the Chairman of Road Board, Kau, what bonds he is under, if any, or if with a private Bank, why? For with many others, I consider that the Hawaiian Treasury is the only legitimate repository for the revenue of this Kingdom, until withdrawn upon properly authenticated vouchers, and this applies to this particular balance, even although road work in Kau district was suspended indefinitely.

As I believe that the new Volcano Road runs partly through Kau, as well as Hilo, district, if it is intended to outlay any of the above mentioned Kau Road Tax unexpended on this road it should be expended on the Kau, and not on the Hilo end.

CONTINGENT APPROPRIATIONS.

I beg now most respectfully to call the attention of your Honorable Body to the term "Contingent" as frequently used in connection with appropriations being one susceptible of so many interpretations as to have caused great difficulty in deciding exactly when and where such "Contingent Funds" should be expended.

I would respectfully suggest that, if no other term can be substituted for it, it would be well in each case where it is employed in any Appropriation that such instructions be

given, immediately following the title, as will guide those who are to disburse the fund, and the Auditor-General, as to the precise intentions of the Legislature.

The necessity of some such guidance will be the more apparent from a perusal of a decision of the Supreme Court of August 1, 1888, wherein it is most clearly laid down that the "Contingent Funds" should be used in emergencies only, and not to supplement specific appropriations.

This rule, if strictly applied during this last period, might have operated with great detriment, and, in fact, as claimed by the Minister of the Interior and the Superintendent of Public Works, might have compelled cessation of work on many public enterprise throughout the Kingdom.

It must be borne in mind that heretofore "Contingent Funds" have not only been used to supply "Emergencies," but to supplement both specific and general appropriations which had become exhausted.

But it does not therefore follow that, because appropriations without number have been supplemented indefinitely, and to an extent far in excess of the Legislative vote, the practice should be continued without your direct approval.

By reference to the correspondence, to be found in the Appendix, it will be seen that considerable conflict had occurred in connection with "Contingent Funds" prior to the publication of the decision above referred to, and which was printed on February 8, 1889. On the promulgation of this decision I realized, for the first time, its precise nature and have since endeavored, with more or less success, to see that it was enforced without injury to the public service, as I will illustrate further on.

As it was impossible for me to visit the scene of each emergency reported throughout the Kingdom, it was necessarily left to the Minister of Interior and Superintendent of Public Works to determine their existence, I stipulating

that the latter when approving should add that it was proper "Contingent" work as defined by the Supreme Court ruling.

That "Contingent Funds" since then have been used only in cases of emergency is scarcely probable, and I feel satisfied that "Roads and Bridges Contingent" has been applied indiscriminately; although perhaps with good intention and result, but in opposition to the principle I contend for, that Public Revenue should be disbursed in accordance with the expressed intentions of the Legislature, notwithstanding any exigencies that may arise through inadequate and insufficient estimates for Public Works, and that such exigencies should be met by the next Legislature, and not through abstraction from any other funds.

To explain my meaning more clearly, I offer the following illustration. In the last Appropriation Act appears the following:

Repairs to Wharves, Landings and Buoys, Honolulu...	\$ 9,000 00
" " " " Contingent..	15,000 00

Now, although, the former amount was expended down to a balance of \$28.53 on January 4, 1889, work has gone right along and been charged to the latter, and the vouchers approved by the Superintendent of Public Works, "as proper contingent work under the ruling of the Supreme Court," in the face of the ruling which distinctly says that a specific appropriation shall not be supplemented by any other.

While I have not thought it wise to interfere by ruling that these wharves, the wear and tear upon which is incessant, and increasing with their age, should not be repaired, but allowed to go to ruin, or to become dangerous to life, yet I must hold that the policy is unwise which reduces the estimates for nearly all Public Works to a figure below probable cost in order to induce the Legislature to approve them, and then to vote large "Contingent Funds" that can be used for any purpose.

Such a policy is not calculated to bring before the Legislature the actual wants of the nation, but is liable to foster "pet schemes," desirable mainly in the opinion of the projector and not actually for the welfare of the country.

I might mention that among the works supplemented from the "Contingent Fund" are the "School Street Bridge," "Kalihi Road," "Wharf at Halawa, Molokai," "Several Wharves and Landings on Kauai," "Road from Hilo to Volcano," and doubtless many more that I am unable to trace.

THE CUSTODY OF GOVERNMENT PROPERTY.

The law provides that "the Minister of the Interior shall have charge and custody of all Government lands, buildings, vessels, and property whatsoever, and shall be accountable for the preservation and safe keeping of the Government property."

This viewed in connection with the large appropriations voted for the Interior Department would seemingly constitute a trust of vast responsibility to be centred in any one individual; no bond being required and no penalty laid down for non-compliance with or performances of the various duties of the office.

Moreover, such an accounting as the law provides for has no actual value, supported only, as at present, by a cry of responsibility, such as has always attached to Cabinets, but does not, nor ever has, constituted any safeguard against abuses, for while it may be surrounded with a certain moral halo, it carries with it no monied significance or value, and is, therefore, to all intents and purposes a meaningless sound.

There need therefore be no limit to the aspirations of a Minister of Interior inflated with the success of his efforts under this "one-man-power" in which his word is law. He

might readily be tempted to extend his authority over operations calculated to seriously interfere with the rights of private individuals. Centralization, in a word, is not in consonance with the modern spirit of progress in popular government.

THE PALACE WALLS.

If in the case of pulling down the Palace Walls I erred in approving, I did so acting under advice which did not coincide with my views at the time, nor has reflection removed from my mind the conviction that their destruction was a breach of trust by the Minister of the Interior as guardian and safe keeper of the Government property.

There might be warrant enough for their removal under certain circumstances then presumed to have existed, but I cannot admit that the authority to destroy what had cost the taxpayers many thousands of dollars, at simple word of command, and to charge the expense to any fund or funds then in existence, vested in the Minister of the Interior. The Legislature was the proper authority to order their removal and to provide for the cost.

A detailed statement showing the actual cost of this work, consequent expenses, and number of appropriation drawn upon, would be an interesting document.

PUBLIC WORKS ON CREDIT OR ADVANCE.

I now wish to refer to a practice, more or less prevalent, of carrying on Government work after the appropriations specifically provided have been expended and which I cannot endorse.

This is accomplished either upon credit, some one performing his work and waiting for his pay, or through advances made under Ministerial endorsement, which is often

constructed as rendering the Government, in a greater or lesser degree, responsible ; otherwise, who would make such advances and run the risk of Legislative approval?

On referring to the Indemnity clause in Section 8, of the Appropriation Act, I can see but little difference whether an Indemnity Act is passed to cover an amount already drawn from the Treasury by a Minister and expended upon certain public works, or is passed to authorise that amount to be drawn to reimburse some one else who had advanced it.

In both cases it would look as if the Minister had assumed the responsibility, even if he had not also in a manner made the Government responsible.

The first instance being a direct violation of the law, an Indemnity Bill could not be expected; and perhaps the only argument that might induce the Legislature to pass one in the second instance would be that it would prevent an apparent injustice to one who in all good faith had advanced money for public works under the impression that the Government had been made responsible.

If, however, the Legislature should refuse to indemnify, it would not only be tantamount to classing it as a parallel case with one in which the Minister of the Interior actually drew money from the Treasury without authority, and like it a violation of the law; but it would also indicate that the matter was thoroughly understood as being but a scheme to carry on works not provided for by the Legislature.

DRAFTS SIGNED IN BLANK.

To what extent the following practice has been in vogue with the balance of the Cabinet, if at all, I am unable to say, but His Excellency the Minister of the Interior has stated in my presence that he guessed about half of the drafts issued by him upon the Treasury were signed in blank for use in the Interior office, meaning, presumably, during his absence.

Now, as these drafts bear his signature, they have but to be dated and filled in at the option of the holder to become negotiable at the Treasury; and there being no evidence about the drafts to signify that they represent vouchers which have been duly approved, there is no immediate check in sight as to their genuineness. In the event of any being honored by the Treasury which were *bona fide* alone as to the signature, who would be responsible for the amount paid upon them?

The Minister of the Interior then has by this practice deliberately lent his signature and, consequently, his approval in advance for the settlement of claims against the Interior Department, the vouchers for which he has not seen or examined, and of whose contents he is entirely ignorant; besides incurring the great risk of drafts being abstracted and negotiated by outside parties, and used for purposes entirely foreign to what was intended.

I must firmly express my disapproval of this practice as being most unbusiness-like in conception, pernicious in example, a direct menace to the public revenue, and a breach of the trust placed in his charge, which I feel satisfied can be palliated by no excuse, especially if it be borne in mind that the responsibility placed in him can be cast aside at any moment by resignation.

HAWAIIAN REVENUE IN PRIVATE BANKS.

From information received, I had occasion on October 11, 1889, to communicate with the Minister of the Interior in regard to the fact that certain expenses on Roads and Bridges were being settled by draft on Bishop & Co. drawn by the Road Supervisor of Honolulu against some deposit presumably made by His Excellency, and to protest against such action.

It is scarcely necessary to state that there always has been and always will be some to offer objections to a law which compels all receipts on Government account to be paid into the Treasury as "Government Realizations," only to be made again available by Legislative authority. And they contend that frequently such receipts could be utilized to advantage, say, on the public work from whence derived, as was intended in the case just mentioned, and in other instances, instead of locking the money up in the Treasury.

If it is sound policy in one or more cases, that any receiver of revenue on Government account shall also be the disburser, except as authorized by law, why not be sound in all cases, but when so decided, then look out for the end and beware of trouble.

As the effort has too often been made under former regimes, and sometimes with success to utilize Government realizations, instead of paying the same into the Treasury, the late attempt caused but little comment, and I would be inclined to leave the subject at this stage, trusting to your Honorable Body to decide whether or not, in view of the fact that this diversion of Government money had been frustrated, you considered any censure necessary, and upon whom, and have rested satisfied with your decision, but for the following reasons :

Firstly, because in an article in the evening *Bulletin* of October 14, which I was assured emanated from one, or more, of the Cabinet, an attempt was made to explain away all intentions of ignoring the law, and remove the responsibility from all concerned. This I consider should not pass without further explanation due to your Honorable Body, and to the many in this community who could not reconcile the facts as known with the apologetic efforts made in that article.

If the Road Supervisor took it upon himself to collect the sum of \$3,680.65 due to the Hawaiian Government from the

Tramways Company, placed it on deposit with Bishop & Co., and drew against it with his own personal checks, presumably in settlement of claims against Roads and Bridges only, without having positive instructions from the Minister of Interior so to do, it was an act unparalleled for assumption of authority, and certainly is not condoned by the statement of the Minister of the Interior that it was done contrary to his instructions, and through misapprehension or inadvertence.

Secondly, as the tenor of His Excellency's communication would convey the idea that had such bills, as the Road Supervisor was paying, been presented to the Auditor they would have been approved, a statement entirely without foundation, I must contradict it, for His Excellency must be perfectly aware that I have no authority to approve except against appropriations, duly voted by the Legislature, and that I could not, and would not have approved against a deposit in Bishop & Co.'s, which I knew had no business there.

THE HARBOR AND ESPLANADE.

The material dredged from Honolulu Harbor is mainly used to fill in the Esplanade and the expense charged to the appropriation "Dredging Honolulu Harbor."

Sometime after this fund was expended to a small balance it came to my knowledge that the dredging was still being carried on, but at the expense of "New Market House," the dredged material being ostensibly used for the foundation of that building, while, to all appearances, in reality being used to fill in the whole esplanade, more or less, the Auditor's approval being obtained in an underhand manner entirely inconsistent and at variance with the honest usages expected from the head of a Bureau. The pay rolls bearing nothing on their face to indicate the true situation, but were calculated to mislead the Auditor into the belief that they repre-

sented work done on a New Market House alone, while in reality they represented work in dredging Honolulu Harbor, and filling in the esplanade as well, the appropriation for which was all expended, as before stated.

Under these circumstances I felt justified in refusing to approve pay rolls, until all doubt was removed from my mind as to their correctness. The explanation made by the Superintendent of Public Works when taken to task on this matter was certainly ingenious, but unfortunately could not be supported as his plea that they were entirely through dredging the harbor, that it was all done and did not require any more, suggests a condition of Honolulu Harbor, which I believe does not exist, and was simply thrown out to prepare the way for the next statement, to the effect that having no further use for the dredging plant, so far as the harbor was concerned, he had only utilized it to supply material for the foundation for a new market, and that the latter should stand all the expense.

The work progressed until the end of the period, and that the material is still taken from the harbor is certain.

In a communication from the Minister of the Interior of February 26, 1890, I find the following sentence: "With reference to your statement concerning the filling of the entire esplanade at the expense of the Market House Appropriation, I would say that you must have been misinformed as to the facts, as no material has been, is being or will be used for filling any other than the market site under that appropriation."

Upon this assurance, which, if correct, would remove any reason to consider this work detrimental to the public service, I, on the 27th of February agreed in writing to approve the bills previously declined. But notwithstanding the above guarantee, I have every reason to believe that a much larger area is being filled in at the expense of a New Market than the site of that market calls for, and, in fact, it can be easily proven.

INCIDENTALS AND SPECIAL CONTRACTS.

There is another lax system prevailing in nearly every Department and Bureau of this Government, and one which appears to be on the increase, by which officials and employees would make it appear that for revenue disbursed by them, say, for traveling expenses, steamboat fare, express and horse hire, copying and incidentals generally, it is only necessary for any one of them to fill out a Department blank or bill head in his own favor, and approved by himself, to enable him to draw the amount from the Treasury, although he can produce no supporting evidence from those who received, or are to receive, the money.

To this, I take the exception as being entirely irregular, as such documents do not meet the requirements of the law, whether approved by a Crown Minister, the Head of a Bureau or a clerk. This loose system has been extended to transactions of far greater magnitude which can scarcely be reconciled with a consistent and intelligent administration of the finances of the Kingdom.

As an illustration I give the following in connection with the Interior Department; on June 7, 1889, was presented one of these documents, styled a voucher, approved by the Chief Clerk of that Department, for \$20,000 in favor of W. G. Irwin & Co., and representing as being for the purchase or order of water pipe on account of various water works throughout the Kingdom.

As there was nothing accompanying this so-called voucher to satisfy the requirements of the law before approval, I declined to audit it, and only did so when assured by the Chief Clerk, that a contract was being drawn up in which the sum would appear as an advance, and form part and parcel thereof, a copy of which would be furnished to me when completed. Great stress was, at the same time, laid upon the necessity of forwarding the contract and money by the Mail Steamer sailing at 1 P. M. on the same day.

I relied upon the representations made to me, but up to the present writing, the only evidence on file in the Auditor's office of this transaction is the so-called voucher, and a copy of a letter of June 7th from the Minister of the Interior to W. G. Irwin & Co. which will be found in the Appendix. If this can be construed into a contract it would appear to me to be at the least a very one-sided one.

If the credit of the Government has so depreciated, which I cannot admit, that in order to successfully negotiate for the purchase of water pipe abroad, involving the expenditure of about \$40,000 of the revenue of the Kingdom—it was absolutely necessary, or of great advantage, that, one-half of this amount should be paid in cash in advance without any *quid pro quo* from the other party to the transaction, the very least that could be expected from a business-like standpoint was a *bona fide* legal contract.

Notwithstanding the undoubted responsibility of W. G. Irwin & Co., to whom this advance was made, it does not appear to me that even 7 per cent. per annum was a sufficient inducement, or at all an equivalent, for the authorization of a transfer of twenty thousand dollars, (20,000) of Hawaiian Revenue from the Treasury without more substantial evidence of the transaction on file than I have yet seen or heard of.

SUPPORT OF PRISONERS.

While examining the monthly vouchers and pay-rolls for "Support of Prisoners, Hawaii," for the month of January, I noticed several, aggregating over \$500, for pay of Lunas and supplies while working on the Volcano road, and knowing that the Appropriation for this work was exhausted, it for the first time struck me as being somewhat irregular, and feeling in doubt I declined to audit those particular vouchers until this doubt was removed.

On the 26th of February I received a communication on the subject from the Minister of the Interior with an explanation of the law and custom in regard to the support of prisoners, and a request that I would audit the bills objected to, but which I still declined to do while stating that I was prepared to go before the Legislature on the stand I had taken, unless His Excellency saw proper to ask the Supreme Court for a ruling.

Feeling certain that he had a good case, the Auditor was served at the instance of the Minister with a Mandamus on March 2d, to show cause for his refusal. The case was argued before His Honor Justice McCully on March 11, and the decision given on March 21st, to the effect that the Mandamus would not hold.

As there are irregularities connected with this case other than appear on the surface, and which may require Legislative action to prevent in the future the improper administration of funds voted for the support of prisoners, I think it well to place all the circumstances before your Honorable Body to enable you to judge for yourselves what step you may see proper to take.

Amongst the various appropriations under the Interior Department are two for support of prisoners, one of \$80,000, and one of \$15,000, and by law the Minister of the Interior is authorized to work the prison gangs and support them from these funds.

Prior to March, 1888, it had been customary when working prisoners on public works, specifically or generally provided for, to charge the latter 50 cents per day per man for said labor, which wages were paid into the Treasury as "Government Realizations," but about that time this custom ceased, and the prison labor has been used indiscriminately not only on public works not otherwise provided for, but to supplement any other appropriation before or after they had become exhausted, free of charge, of course, the Appropriation Support of Prisoners bearing the entire expense.

It can be seen at a glance that the intentions of the Legislative vote made after due deliberation, to provide specifically for the many different works in the Interior Department, is entirely ignored and frustrated, if each and every one of them can be supplemented indefinitely from the \$95,000 voted for the support of prisoners, while by not charging for such work, the receipts from prison labor into the Treasury have fallen off for the period about \$30,000, the actual figures being as follows:

RECEIPTS FROM PRISON LABOR.

1884-1885	\$ 60,960.44
1886-1887	48,015.71
1888-1889	18,894.02

the latter being \$29,121.69 less than for the former two years, and \$42,066.42 short of receipts for 1884 and 1885.

The total receipts for "Prison Labor, Island of Hawaii" for the month of January was but \$188.45, while the support of prisoners and lunas on the Volcano road alone amounted to \$553.40, and the question naturally arises, what might those receipts for the entire Island have amounted to for January if the prison labor had been charged for at 50 cents per day, per man. I trust that your Honorable Body will see a necessity for such legislation as well calculated to appear to meet this case on government work, which I think could be done by returning to the old system, and passing a law requiring that all prison labor upon public works of whatever nature, shall be paid from the Appropriation for such public works, at the rate of 50 cents per day for each prisoner while at work. Such wages to be paid into the Treasury as Government Realizations.

Their general support, and the pay of lunas, whether working upon public works, or if idle within the prison, to be charged to "Support of Prisoners."

The vouchers for labor performed upon public work, together with those for their support to be presented at one and the same time to the Auditor for approval before payment.

And to provide for the contingency liable to arise, through all the appropriations given out, make it lawful in such case to employ the prisoners upon such general work only, as might be termed continuous, and is provided for from year to year, as Roads and Bridges general throughout the group.

It will no doubt be contended that the above system provides to fill one Government pocket at the expense of another, and this may be quite true.

But taking the result of the last period into consideration, I feel satisfied that the tax payers, realizing that about all the funds voted for public works, as well as that for support of prisoners, had been expended, would have been much more gratified to know that the Treasury had, say \$29,121.69 more to the good, from receipts of prison labor, at the end of the period, than it proved to have, and would have felt indifferent as to the source it was derived from.

THE BOARD OF HEALTH.

Except for the efforts made from time to time in this Bureau to follow the example set by the Interior Department, of which it is a branch, to supplement expended appropriations from some other, there is but one subject necessary for me to comment upon.

In Chapter 70 of the Session Laws of 1888, it is provided that certain opium seized by the Police shall be delivered to the Board of Health. This law has to some extent been obeyed, although to judge from the letter of the Secretary to the Auditor the storage of this drug has caused considerable friction and manipulation. It is to be hoped that the balance unsold now remains with its proper guardian. But

this does not concern me so much as to discharge my duty in seeing that receipts from the sale of opium are turned into the Treasury.

An item of \$235, "Government Realizations" from the sale of opium by the Board of Health, suggested the communication in the Appendix with the desire to obtain more information on the subject, as the above mentioned receipt on this account, I felt certain, was the first that had come under my observation during this period, and I had signally failed in all other quarters in obtaining information, as no one seemed to know anything about opium, as is generally the case.

With the remark that I cannot consider the information afforded to me at all satisfactory, I will leave it to your Honorable Body to draw from the correspondence, referred to, the inferences that are not likely to strike the minds of reflective persons conversant with the law and the temptations incident to the system apparently adopted.

THE ATTORNEY-GENERAL'S DEPARTMENT.

I desire now briefly to refer to this Department, from the incumbent of which I have invariably received courteous treatment in the performance of my official duties. I find his vouchers and accounts uniformly in order, and have but one matter to refer to, and that was brought to the attention of the last Legislature in my previous report.

In the Appropriation Act is inserted under the head of the Attorney-General's Department the following: "Incidentals, Civil and Criminal Expenses," which amount has been freely used in employing extra assistance as Counsel in Civil and Criminal cases. Now, the only point to be decided is whether the appropriation was intended for that purpose or not.

In the midst of conflicting opinions upon that point, I have not felt it to be my duty to decline to approve the vouchers, believing it to be one important enough to be left for final adjustment by your Honorable Body.

The amount paid out for legal assistance during the biennial period was \$3,291.50 from the appropriation for "Incidentals, Civil and Criminal Expenses."

FOREIGN OFFICE.

The only point of importance upon which His Excellency the Minister of Foreign Affairs and the Auditor have been at issue arose from His Excellency's desire to transfer a portion of the appropriation, "Expenses of Foreign Agents" towards defraying certain expenses in connection with the Hawaiian Exhibit at the Paris Exposition, and my refusal to approve on the grounds that I had no reason for believing that the Legislature ever contemplated that any portion of that appropriation should be so expended.

STATISTICAL BUREAU.

It has been intimated to me that, in view of the fact that, at present, the compilation of statistics, satisfactorily, is much retarded, and the results often uncertain and unreliable, the establishment of a Government Statistical Bureau would be of great value.

While I heartily concur with this idea, I feel satisfied that nothing less than a distinctly separate Bureau under the control of a competent official will meet the requirements of the case.

CONCLUDING REMARKS.

It will, no doubt, appear to your Honorable Body from a perusal of this Report and Appendix, that, so far as the In-

terior Department is concerned, whether any efforts have been made to encourage reform or not, but slight improvement can be observed over previous results in complying with the mandates of the Audit Act, but that, in fact, they have been obeyed only when it was more convenient to do so than otherwise.

And just so long as a Cabinet consider that they should have sole sway, and be held alone responsible, and that the Auditor, if not entirely dispensed with, should be simply an automaton to mechanically endorse their doings, with the aid of a rubber stamp, just so long will an Auditor's efforts to carry out the law be met by strong opposition from them and their friends, and advantage taken of every quirk of the law or oversight in the Appropriation Act to further their schemes, with or without his approval.

Theoretically, there is but little in the Audit Act, but what could I believe be readily obeyed under ordinary situations, certainly nothing but what is calculated to systematize, simplify and insure a correct administration over all receipts and expenditures of the Revenue of the Kingdom, and which should, therefore, meet with the support of all interested in good government. One great drawback, so far as expenditures are concerned, appears to arise from the fact that while the Government purse is deposited in Honolulu, Government works under progress in many locations throughout the group, and isolated, as it were, from Honolulu, are constantly demanding a share of that purse, without first furnishing in Honolulu evidence in the shape of vouchers and pay-rolls of the work being performed, before the amount to meet the demand leaves the Treasury, as the Act demands, and for the non-compliance with which no insurmountable objection has yet been offered to me, nor do I believe that any such exists.

Now, in connection with receipts of Revenue on Government account in the country districts, the compliance with

the Act does not seem so easy, and I have not considered it advisable to enforce the law, when, as in some few instances, from close observation, it either appeared impracticable, more or less blundering and inconsistent, or would operate with manifest injustice to the party acting as public accountant. For in this capacity, the incumbents, I believe, under the Post Office, Customs' and Sheriffs' departments in the country districts, would be obliged, if they remitted all their collections to the Treasury as the Act directs, to keep some private funds on hand with which to meet their running expenses, and await reimbursement from Honolulu, an obligation scarcely fair to these officials, nor a dignified demand from a governmental administration to make on an employee.

The practice in these few instances has, therefore, been to pay the actual running expenses of their office out of their receipts, remitting their balances to the heads of Departments, with whom they have running accounts, thereby making the latter the accounting officer, who settles with the Treasury, and renders monthly statements, supported by the proper vouchers to the Auditor.

And although this is contrary to the text of the law the comparatively few who are thus situated, and the small amount so treated, does not in my opinion justify the cry that the entire Audit Act is impracticable, and should be repealed, while admitting that it might be improved upon in no few particulars.

To account for the many other instances illustrated in this Report in which the law has been ignored, I believe that I can safely point to the one grand error above all others as being perhaps the chief cause, viz.: the entirely inadequate estimates in many instances for Public Works.

GOD SAVE THE KING !

GEORGE 'J. ROSS,

Auditor-General

APPENDIX.

HONOLULU, February 2, 1889.

HIS EXCELLENCY JNO. AUSTIN,

Minister of Foreign Affairs, Etc., Etc., Etc.,

SIR:—I have to return to Your Excellency the voucher in duplicate in favor of the Hawaiian Gazette Co., for thirty (\$30) dollars, and made chargeable to the Appropriation "Expenses of Foreign Agents," which I decline to audit, there being no evidence on the voucher itself, showing it to be a proper charge to make, and in my opinion if made would certainly record a diversion of revenue for a purpose never intended.

I have the honor to remain,

Your Excellency's

Most Obedient servant,

GEO. J. ROSS,

Auditor-General.

February 4th, 1889.

HIS EXCELLENCY W. L. GREEN,

Minister of Finance, Etc., Etc., Etc.

SIR:—I beg to submit to Your Excellency a copy of my letter to His Excellency the Minister of Foreign Affairs, which is self-explanatory, and most respectfully solicit your co-operation in preventing the withdrawal of revenue from the Treasury for such purpose as represented per said voucher, viz: "Expenses of Paris Exposition" to be charged to the appropriation "Expenses of Foreign Agents"

a diversion of revenue from a source that in my opinion was never contemplated or intended by the Legislature.

I have the honor to remain,

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

February 8, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minster of the Interior, Etc., Etc. Etc.:

SIR:—I was much surprised to-day upon reading for the first time, the decision of the Supreme Court in the case of "Water Pipes at Kalaupapa," submitted by Your Excellency, to learn that their decision not only applied to "General Appropriations" as I had always supposed, but to "Contingent" as well, and was adverse to either being made chargeable for outlay on account of a specific appropriation, the funds of which were already expended. Presumably this is no news to Your Excellency, although you appear to have overlooked it. For my own part I confess it is a revelation which can be readily understood when I state that I have never been favored with a copy of the decision in print or otherwise. This is the more to be regretted as the decision would certainly have prevented the approval of vouchers recently for outlay on account of Kalihi road, and made chargeable to "Roads and Bridges, Contingent," an error that to my mind reflects with but small credit, in the face of the above decision, on either the Interior or my department, and it behooves both to use every endeavor to guard against a recurrence.

I have the honor to remain,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

February 9th, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I notice an item of \$210 paid to T. A. Lloyd and charged to Roads and Bridges Contingent, which I think properly should be charged to "Roads and Bridges, Oahu, other than Honolulu," having still a balance unexpended. But if it were all expended, according to the decision quoted in my former letter, neither the funds in General or Contingent Appropriation are available to help it out, unless perhaps in case of some extraordinary or unforeseen emergency.

I remain

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., Feb. 22, 1889. }

GEO. J. ROSS, Esq.,

Auditor-General.

SIR:—I have the honor to acknowledge the receipt of your favor of the 9th instant. I was absent from town at the time of its receipt, and my attention was not called to it until a few days ago, or I should have answered it before.

I hope that the explanation I may be able to make, will show to you that if I am not allowed to draw on the contingent fund for various works, such as I will indicate below, it will very much embarrass this Department and strand a number of important enterprises now in course of execution or immediate contemplation.

First, I should like to state the circumstances under which, and the objects for which the contingent fund was

inserted in the Appropriation Bill, and how it came to be passed at its present figure.

As you will remember, the last six months of 1887, succeeding the change of Administration, was to a great extent taken up with the preparation for the special election and the special session of the Legislature, both of which required my continuous presence in Honolulu. The time between the Special Session and the regular session of the Legislature was short, and the work of preparing for the regular session in addition to the regular work of the office, prevented my personal inspection of districts outside of Honolulu.

The Superintendent of Public Works was new to the office, and likewise had his time so fully occupied, that he had but little opportunity to make careful estimates for road work throughout the country.

The Road Boards were only appointed in February, 1888, and consequently had but little accurate knowledge of the amounts needed in their respective districts.

The method of arriving at the appropriations for the several districts, was therefore based on the recommendations of the Road Boards and members of the Legislature from the several districts, and what general knowledge was possessed by the Superintendent of Public Works and myself.

From what I have said above, you can see that this was at best an exceedingly rough and unsatisfactory foundation on which to base estimates for work, two years in advance.

In order that none of the districts might suffer, a general, or contingent fund was provided in order that work which needed to be done in the several districts and for which the other appropriations were insufficient, could be carried on, the locality and the occasion being left with the Minister of the Interior.

The amount proposed in the original Appropriation Bill was \$25,000. A number of additional items were proposed

by different members, for which specific appropriations were asked.

For example, an appropriation of \$5000 was asked for by Noble Richardson for a bridge at Honokohau, Maui. The member from N. Kona asked for \$5000 for Kona roads. The member for Koolaupoko asked for a specific appropriation for a bridge at Kaneohe, etc.

The objection was made by me that as there were no definite estimates, the specific appropriation asked for would probably be wild, either too much or too little; the excess would be that much of the Appropriation Bill dead matter, as it could be used for no other purpose. If too little, the amount appropriated might be wasted, as for example, a bridge might be built, and the money be exhausted before the approaches were finished, in which case the money spent would be useless until the next Legislature should appropriate money to finish it. I therefore requested that instead of making these special appropriations the contingent fund might be increased, stating that careful investigation would be made of the needs of the different districts, and the contingent fund fairly distributed, while there would not be the disadvantages above indicated. This course was adopted, and the contingent fund was raised to \$40,000.

In pursuance with the objects for which the fund was placed in the Appropriation Bill, of the explanation of the item given to the Legislature, and the statement of the use to which the money would be put, I have in good faith proceeded to use portions of the contingent fund.

Among other work which has been authorized and is now in course of construction or immediate contemplation is:

1. A Bridge at Koolauloa.
2. A Bridge at Kaneohe.
3. Changing the road at a point in Ewa to a new location so that it will come out of the valley on a grade instead of coming straight up the hill.
4. A Bridge at Honokohau.

5. Running grade lines for new roads where the old roads are on such bad grades that it will be money wasted to repair them, in Kohala, North and South Kona, Hilo and North Hilo, and Makawao, and others of a like nature, with the promise of assistance when their regular road funds are insufficient to make the necessary changes.

The changes of location for grading purposes are in the highest degree important, as the expenditure of money on the present locations is a pure waste of money, the first rain gullyng out what has been done.

I cite the foregoing as examples merely, to shew that the fund is being expended in good faith for the general benefit, and not in any one district.

With reference to the word "contingent" being confined to extraordinary or unforeseen *emergencies* only, the circumstances show that such was not the intention, and the definition of the word itself does not limit it to emergencies.

The locking up of this fund, as it certainly will be, if it is to be confined strictly to emergencies, will cause a miscarriage of the intentions of the Department in constructing, and the Legislature in passing the Appropriation Bill, and will seriously cripple the road work in a large number of the districts.

I will assume the full responsibility of the expenditures which I may authorize under this fund, and will undertake to make the matter a special item of report to the Legislature.

Hoping that the foregoing statement may prove satisfactory to you.

I have the honor to remain,

Your obedient servant,

L. A. THURSTON,
Minister of the Interior.

April 11, 1889.

HIS EXCELLENCY JONA. AUSTIN,

Minister of Foreign Affairs:

SIR:—I beg most respectfully to decline to audit the enclosed voucher in favor of Z. S. Spalding, and made chargeable to "Expenses of Foreign Agents," and for the same reason as already given to Your Excellency in my letter of February 2d, in connection with somewhat similar vouchers.

I have the honor to remain,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

April 29th, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I desire most respectfully to draw the attention of Your Excellency to the fact that the charging of all outlay on wharves, etc., Honolulu, to the Contingent Fund, the General Appropriation being expended, does not, in my opinion, conform to the decision of the Supreme Court on this point; and that only such portion of such outlay as may be "expended for repairing or replacing wharves, etc., which by any contingency have been destroyed" can properly be so charged, and if it all comes under this head, would it not be well for the Superintendent of Public Works to so certify to each pay roll and voucher, so that all doubt may be removed.

I have the honor to remain,

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

May 2, 1889.

HIS EXCELLENCY L. A. THURSTON,
Minister of the Interior.

SIR:—Referring to a conversation I had the honor to hold with Your Excellency recently, about the position of Deputy Superintendent of Public Works, I beg now most respectfully to intimate that after due reflection, I am satisfied that at present, neither is the position filled, the duties expected from a deputy performed in the manner, nor the salary paid, in conformity with the appropriation. It seems clear that when the Legislature voted the salary of \$200 per month for a Deputy, that they intended providing for one able assistant, who should be second only to the Superintendent himself in capacity, and might well be fully up to the latter's standard of ability without detriment to the public service. Being therefore a specific appropriation providing for one efficient deputy, unless such a one has been appointed, no salary should have been drawn since the expiration of Mr. Lawrence's term of service, and if one has been appointed, that he is entitled to the full salary, any departure from this and the authority to employ any other number than one, at even less pay, rests solely with the Legislature.

I therefore most respectfully protest against any further drafting on this account, unless for the services of an able, efficient deputy, and in conformity with the appropriation "Salary of Deputy Superintendent."

I have the honor to remain,

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

[Copy to Minister of Finance.]

May 3, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I beg most respectfully to submit to Your Excellency my protest against any further outlay being made in road building or repairing to be charged to "Road Damages," which I do not consider a proper charge to make. In my opinion such funds were intended for the settlement of such claims for damages only arising against the Government in exchange for land, etc., taken by the latter for public improvements, and not for road building which was otherwise provided for. If the charges already made against "Road Damages" for road building and repairing damaged roads were proper ones to make, why could not all general road work in Honolulu be treated in like manner, there is certainly a large fund to draw against, and in my opinion the one is precisely as well entitled to be charged to "Road Damages" as the other.

I have the honor to remain,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., May 7, 1889. }

GEO. J. ROSS, Esq.,

Auditor-General.

SIR:—I have the honor to acknowledge the receipt of your communication of April 29th in re Contingent Wharf Appropriation.

In reply I would say that I have requested the Superintendent of Public Works to make a statement of the conditions under which this work now being done on the Ho-

nolulu wharves, is being done. He has accordingly done so, a copy of which I herewith enclose. I have also instructed him to attach an appropriate certificate to each draft on this appropriation.

It appears to me that the circumstances warrant drawing on the contingent fund, as the rapid and unexpected decay of some of the wharves could not have been foretold, and is a contingency which was not foreseen, destroying property to such an extent that the use of the wharf without the repairs being made will be dangerous to property and life.

I have the honor to be,

Your obedient servant,

L. A. THURSTON,
Minister of the Interior.

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., May 7, 1889.)

GEO. J. ROSS, Esq.,

Auditor-General

SIR:—I have the honor to acknowledge the receipt of your favor of the 3d instant, in re expenditure of the appropriation for "Road Damages." In reply I would say that no road building or repairing is proposed to be paid for out of this appropriation. I entirely coincide with you that such funds were intended for the settlement of claims for damages against the Government for land, etc., taken for public improvements.

You do not specify what particular work you have reference to, but I presume that the work of moving fences and filling taro patches where the road has recently been widened at Palama, is the place intended.

The facts of this case are, that it was a part of the agreement for the settlement of the "damages" to the parties whose land was taken, that the Government should move

the fences, and fill up the the taro patches outside of the new street line. It was not the intention, for the present, to grade up the widened portion to the road grade, the acquiring of the new land having been primarily necessary in order to provide a place for the tramway rails to run, the existing road being too narrow to allow it without danger to the public.

Moving the fences is always estimated as a part of the damage, and, as the filling in this instance was not for use as a road, but simply to enable the adjoining property owners to approach their property line, which they would have been unable to do with ten feet of taro patch between them and the road, it seemed to me a legitimate charge to make to settlement of the damages suffered by the property owners.

I think this statement will show you wherein a difference exists between this work and "general road work" in Honolulu.

I have the honor to be,

Your obedient servant,

L. A. THURSTON,

Minister of the Interior.

May 7, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of Interior.

SIR:—I have the honor to acknowledge the receipt of Your Excellency's favor of to-day in re expenditure of "Road Damages." In reply I beg most respectfully to state that your explanation is satisfactory, and so long as no general road work, or repairs, or any other charge for work done is

made to "Road Damages" except such as may arise through the terms of any settlement for land taken, I shall have no objections to offer.

I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

[COPY]

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., May 8, 1889. }

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

DEAR SIR:—In reply to your communication of the 3d instant, I will state as follows:—

At the time of estimating the probable requirements for repairs of the Honolulu wharves for the present period, the so-called Pacific Mail Dock, Likelike wharf and the Oceanic Dock, appeared to me to be in such condition that nothing would be required to make them last through the period beyond the occasional replacing of a plank or joist.

In the Pacific Mail Wharf, however, the rot in the piles and timbers has progressed so rapidly that the outer edge has become positively unsafe, and the work which is now being done and charged to the Contingent Fund is replacing what is absolutely necessary to maintain this wharf in a usable condition.

I can now see that the Likelike and Oceanic wharves will not last through the period without extensive repairs which should properly be charged to the contingent fund.

Yours respectfully,

[Signed]

W. E. ROWELL,

Superintendent Public Works.

May 13, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I most respectfully submit for Your Excellency's consideration the following statement and protest. I am aware that the various "Road Boards" draw against "Road Tax" at pleasure, but such license does not extend over appropriations more particularly that of "Roads and Bridges," contingent (since the late decision of the Supreme Court), before drawing against, which I claim that all vouchers duly certified to by Mr. Rowell, should then receive my approval before drawing the money, and I again protest against any other method being employed.

I have the honor to remain,

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

[COPY]

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., June 7, 1889.

MESSRS. W. G. IRWIN & Co.,

Honolulu.

GENTLEMEN:—You are hereby notified that your tender for Pipe Fittings, *exclusive* of the valves and lead, under date of May 7th last is hereby accepted, subject to the modifications hereunder named, viz.:

The number of feet of pipe of several of the sizes has been increased. There is not time to make out with certainty of accuracy, the detail of fittings, to meet this mail; but in order that you may notify your correspondents of the

order, so that they can be making preparations for filling it, I herewith give you the specifications of the main portions of the pipe, viz.:

LAP-WELDED STEEL PIPES CONVERSE PATENT LOCK JOINT.

15 inch pipe	157 feet.
12 " "	3,500 "
8 " "	3,554 "
6 " "	19,100 "
4 " "	17,400 "
3 " "	16,970 "

The fittings will be about the same as enumerated in the specifications on which the order was based with some additions.

In a few days, I will hand you the detail order, at the same time fixing the exact contract price based on your tender. Meanwhile, according to the estimates of the Superintendent of Public Works, the order will come in round numbers \$40,000.

In accordance with agreement, the Government is to pay you 50 per cent. on the order, 25 per cent. on receipt of the bills of lading, and 25 per cent. on receipt and acceptance of all material delivered on the wharf at Honolulu, the Government being allowed a discount at the rate of 7 per cent. per annum on all payments made before delivery of the order.

You are handed herewith the sum of \$20,000 on the above order.

The sooner the pipes arrive here, the better it will suit as it is all needed to complete water works now in course of construction.

I have the honor to be,

Your obedient servant,

[Signed]

L. A. THURSTON,
Minister of the Interior.

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., July 2, 1889.

GEO. J. ROSS,

Auditor-General.

SIR:—I have the honor to acknowledge the receipt of several communications, the last of even date herewith, on the subject of the salary of the Deputy Superintendent of Public Works. I have not replied, because, I thought I had already fully covered the point in my communication to you dated May 7th, last.

As therein stated, this appropriation does not come within the purview of your authority; having no doubt in my mind as to the propriety of the course being pursued, I do not feel called upon to ask for a judicial construction concerning the same.

I have the honor to be,

Your obedient servant,

L. A. THURSTON,

Minister of the Interior.

July 3, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I have the honor to acknowledge the receipt of your reply of the 2d instant, in answer to my protest of same date, in the matter of "Salary of Deputy Superintendent of Public Works." That several protests on this same subject have not been answered, has caused me no uneasiness, not having expected any, but that you should take it for granted, that your communication of May 7th had fully disposed of the question rather surprises me, for it contains nothing that had led me to alter my opinion in the slightest degree. Nor is your statement in your last communication, to the effect, that I had no authority in the matter, and that

the course pursued by you was a proper one, borne out by the fact that you decline to apply to the only available authority, for a "judicial construction concerning the same," a proceeding to my mind denoting anything but certainty, as to the rights of the stand you have taken, while it postpones the decision till the next Legislature meets, a long way off, which I consider by no means fair to me, for you can continue drawing, while I can simply protest.

I have the honor to remain,

Your Excellency's

Most Obedient servant,

GEO. J. ROSS,

Auditor-General.

HONOLULU, August 30, 1889.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior, Etc., Etc. Etc.

SIR:—I have the honor to draw the attention of Your Excellency to an item of \$224, drawn from the Treasury yesterday, against the appropriation "Salary of Deputy Superintendent of Public Works," to which payment I hereby enter my protest; firstly, because no Deputy has been appointed, and secondly, because in my opinion, there is no authority to charge the above sum for services of Mr. Bruner, on the "road from Lahaina to Wailuku," otherwise specifically provided for to the salary of Deputy.

I have the honor to be,

Your Excellency's

Most Obedient Servant,

GEO. J. ROSS,

Auditor-General.

A copy of the above was enclosed with the following communication to the Minister of Finance.

HONOLULU, August 30, 1889.

HIS EXCELLENCY S. M. DAMON,

Minister of Finance, Etc., Etc., Etc.

SIR:—I have the honor to enclose to Your Excellency, a copy of my communication of to-day to the Minister of the Interior, to which I most respectfully invite your attention, and earnestly solicit your co-operation in presenting further drafts being made upon the Treasury, as illustrated in the enclosed letter, and which are becoming more and more irregular and illegal in my opinion.

I have the honor to be,

Your Excellency's

Most Humble Servant,

GEO. J. ROSS,

Auditor-General.

HONOLULU, October 11, 1889.

From the Auditor-General to the Minister of the Interior.

SIR:—I have the honor to invite Your Excellency's attention to the following statement and protest. It having come to my knowledge that certain expenses on Roads and Bridges are being settled by drafts on Bishop and Co., drawn by the Road Supervisor of Honolulu against some deposit, presumably made by Your Excellency, the same possibly being government realizations received into the Interior Office from the Tramways Co., or from other sources. I hereby enter my protest; firstly, to the depositing of Hawaiian Revenue, anywhere except in the Hawaiian Treasury; secondly, to the payment of any such revenue except upon vouchers first approved by me, and thirdly, to the drafting of H. F. Hebbard against Hawaiian Revenue,

be it deposited where it may. These three protests are made against actions in direct violation of the Audit Act.

I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

A copy of the communication to His Excellency the Minister of the Interior was enclosed to the Minister of Finance with the following:

HONOLULU, October 11, 1889.

From the Auditor-General to the Minister of Finance.

SIR:—I have the honor in accordance with Section 5 of the Audit Act, to draw the attention of Your Excellency to the contents of the enclosed copy of my communication to the Minister of the Interior.

I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

DEPARTMENT OF INTERIOR,
HONOLULU, H. I., October 16, 1889.

GEO. J. ROSS, Esq.,

Auditor-General.

SIR:—I have the honor to acknowledge the receipt of your communication of the 11th instant, in re the payment of certain expenses of Roads and Bridges in Honolulu.

Upon consideration of the subject, I am convinced that the letter of the law requires the payment of sums received from the Tramways Co. for stone, into the Treasury as a realization. Such sums so received will accordingly be so paid in.

With regard to any bills having been paid without first having been audited by you, I would say that if such has been done it is without my knowledge or consent, and contrary to my instructions, and can only have been done through misapprehension or inadvertence. I will see that it is remedied.

I have the honor to be,

Your obedient servant,

L. A. THURSTON,
Minister of the Interior.

HONOLULU, January 21, 1890.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I have the honor to communicate to Your Excellency, my protest to the various sums drafted from the Treasury, amounting to a total of \$217, since December 18, 1889, against "Salary of Deputy Superintendent of Public Works," and to all future drafting against said appropriation, unless such an official has already been appointed. Claiming that all such drafting is illegal, in which I am supported by the Supreme Court, in a ruling recently obtained by His Excellency S. M. Damon, Minister of Finance, from them.

I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,
Auditor-General.

A copy of the above was enclosed with the following, communication to the Minister of Finance.

HONOLULU, January 21, 1890.

HIS EXCELLENCY S. M. DAMON,
Minister of Finance, Etc., Etc., Etc.

SIR:—I have the honor to enclose for Your Excellency's consideration, a copy of a communication from myself to the Minister of the Interior, in re the drafting from the Treasury against "Salary of Deputy Superintendent of Public Works." I also desire to enter my protest to all sums paid on this account since December 18, 1889, and to the payments of any future amounts unless such an official has been duly commissioned, such payments being in my opinion illegal, in which I believe I am fully supported by the "Supreme Court," who have rendered such a ruling to Your Excellency.

I have the honor to be,
Your Excellency's
Most obedient servant,
Geo. J. Ross,
Auditor-General.

HONOLULU, January 23, 1890.

J. M. KIMBALL, M. D.,
President Board of Health.

SIR:—I have the honor to apply to you for the following information in regard to opium seized by the police since the law of 1888 went into force, and which provides, that all such shall be turned over to the Board of Health.

What I require is a statement showing what amount of opium has been turned over, what quantity (if any) has been sold, when, by whom, to whom and what disposal has been made of the proceeds of said sales.

An answer at your earliest convenience, will be much appreciated.

I have the honor to be,

Respectfully yours,

GEO. J. ROSS,

Auditor-General.

BOARD OF HEALTH,
HONOLULU, H. I. Jan. 28, 1890.)

GEO. J. ROSS, Esq.,

Auditor-General.

DEAR SIR:—I have the honor by direction of the President of the Board of Health to acknowledge the receipt of your favor of the 23d instant. The only opium turned over to the Board of Health of which there is any account is as follows: 1. Sixty tins confiscated from the bark C. D. Bryant, the proceeds of the sale of which were turned over to the Collector-General of Customs by order of the Attorney General. 2. One hundred and thirty-four tins turned over by the Marshal to the Secretary of the Board, and by him deposited with the Marshal for safe keeping. This lot has since been handed over to the Customs Bureau. 3. One hundred and forty-nine tins delivered to the Secretary and left in the care of the Marshal. Of this lot ninety-eight tins have been sold on account of the Board of Health by the Port Surveyor Turrill, and the proceeds turned over to the Treasury Department as per account rendered.

I have the honor to be,

Your obedient servant,

GEO. C. POTTER,

Secretary.

HONOLULU, February 29, 1890.

From the Auditor-General to the Minister of the Interior.

SIR:—I have the honor to acknowledge the receipt of your communication of the 26th instant, in re certain vouchers made chargeable to "New Market House," Honolulu, all difficulty in connection with which, arose solely through the underhand manner in which they were presented by the "Superintendent of Public Works" for my approval, without any explanation, which might tend to inform me of the situation, and a chance to know just what I was approving, and my remarks about secrecy and fraud were intended for him, and I think were earned. Necessarily depending largely upon the integrity of the disbursing officer, for the correctness of vouchers, the majority of which it is impossible I can know anything about, you must see, that unless they act squarely and uprightly, I cannot be blamed if it reflects to their discredit in all transactions afterwards. In the matter before us, it was well known that the appropriation "Dredging Honolulu Harbor" had been expended down to a small balance for some time, and I may be pardoned, I think, if upon accidentally learning that this work was being still carried on, and had been for months, at the expense of a "New Market House," I declined to audit until convinced of my error. Before, however, declining to do so, I visited the esplanade, and finding ground of an area sufficiently large as I thought for the site of several Market Houses, and which appeared to be covered with a fresh deposit of dredged material, it is not at all wonderful, I think, if it seemed irregular to me. And, I became more skeptical when, upon taking the Superintendent of Public Works to task for his actions, he assured me that he was through dredging the harbor, it was all finished, and that he was simply utilizing the dredger to fill in the site for a New Market. A man who can scoop up acres of debris

where none exists, might surely make a success, with the dredgers assistance, in removing the reef, and deepening the entrance to the harbor.

Satisfied upon due consideration that the progress of this work is not detrimental to the public service, regretting the detention, and thanking you for your views on the subject. I am now prepared to approve for work as represented.

I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.

HONOLULU, H. I., February 27, 1890.

HIS EXCELLENCY L. A. THURSTON,

Minister of the Interior.

SIR:—I have the honor to acknowledge the receipt of your communication of the 26th instant, in re certain vouchers charged to "Support of Prisoners," and to which I had demurred. But although you may have fairly explained the customs and usages in vogue heretofore with that appropriation, I see no reason for altering my opinion. Many precedents may be recorded in support of your arguments, but I question, if any Legislature fully understanding the subject, would vote \$95,000 ostensibly for "Support of Prisoners," but which really might be used to supplement every appropriation for public works under the Interior Department; the appropriations might as well be pooled, and drawn from indiscriminately. If the Volcano road appropriation was not expended, and the prisoners were employed thereon for pay which was turned into the Treasury, or if they were idle, "Support of Prisoners" should stand the expense, but when the amount voted for that

road by the Legislature has been all expended, then I say that the work should cease, whether completed or not, and entirely fail to understand why it should be completed, free gratis so far as the road is concerned, but at the expense of "Support of Prisoners," and am prepared to take my chances before the Legislature on these grounds, unless Your Excellency should think proper to apply to the Supreme Court for a ruling, by which I would be guided.

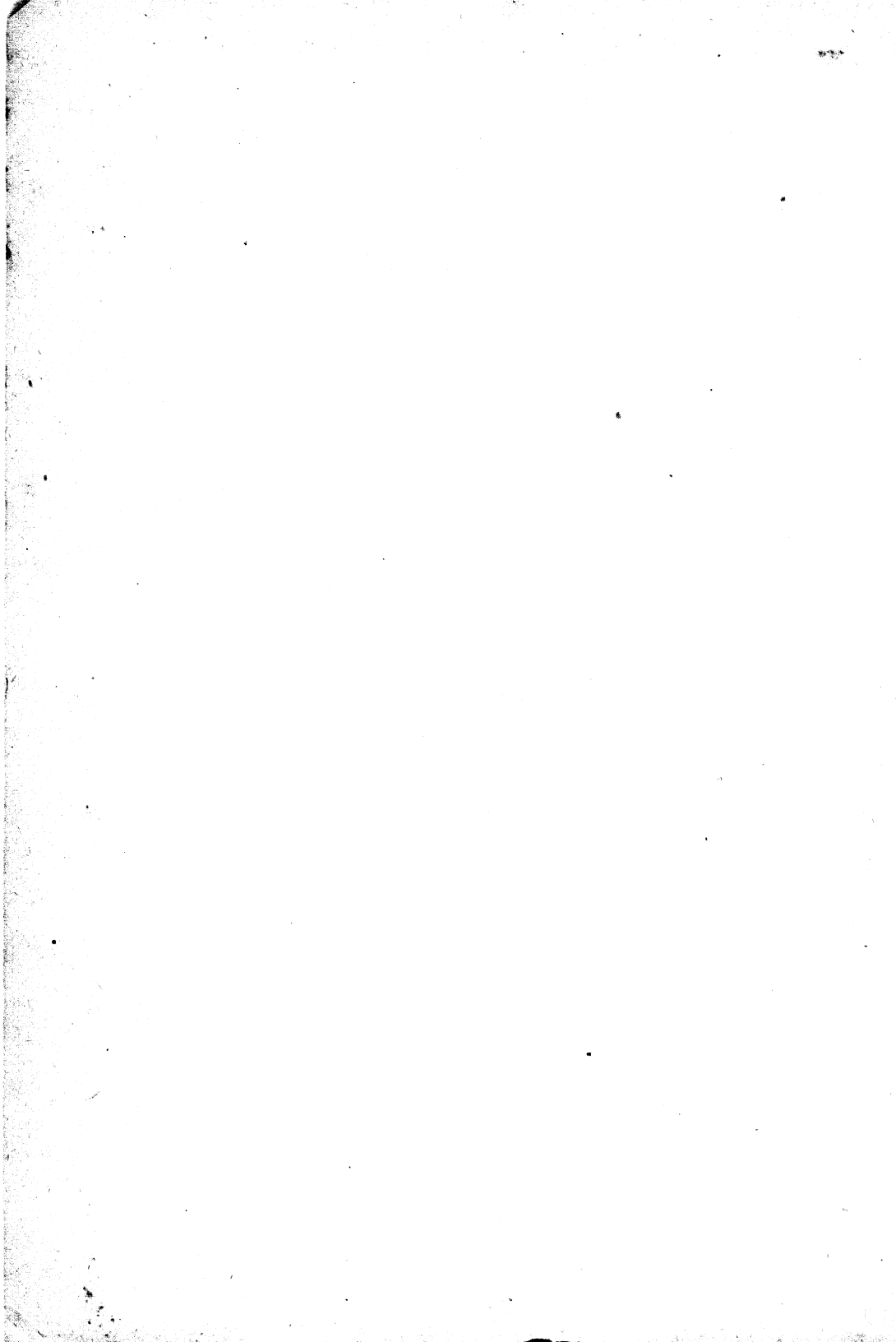
I have the honor to be,

Your Excellency's

Most obedient servant,

GEO. J. ROSS,

Auditor-General.



Statement of Taxes for the Biennial Term, 1888-89.

TAXES—OAHU, 1888.

Districts.	Value Real Estate.	Tax Real Estate.	Value Per. Prop'ty.	Tax Per. Prop'ty.	Carriage.	Poll.	Dog.	Tags.	Road.	Carts.	School.	Insurance.	Total.
Honolulu	\$ 6,858,350	\$ 68,583 50	\$ 4,724,508	\$ 47,245 08	\$ 3,208 50	\$ 5,352 40	\$ 986 49	\$ 97 30	\$ 9,489 60	\$ 726 20	\$10,430 00	\$ 1,837 99	\$147,957 06
Ewa me Waianae	409,616	4,096 15	654,601	6,546 01	155 00	1,044 00	210 00	21 00	1,882 00	108 00	1,978 00	.....	16,040 17
Waialua	239,366	2,893 66	323,495	3,234 95	195 00	558 00	117 00	11 70	976 00	126 00	1,000 00	.....	9,112 31
Koolauloa	239,961	2,399 61	176,784	1,767 84	110 00	381 00	73 00	7 30	596 00	48 00	698 00	.....	6,080 75
Koolaupoko	432,253	4,322 53	411,406	4,114 06	105 00	1,371 00	165 00	16 50	2,384 00	184 00	2,396 00	.....	15,058 09
Total	\$ 8,229,546	\$ 82,295 46	\$ 6,290,794	\$ 62,907 94	\$ 3,773 50	\$ 8,706 40	\$ 1,551 49	\$ 153 80	\$15,327 60	\$ 1,192 20	\$16,502 00	\$ 1,837 99	\$194,248 38

HAWAII, 1888.

Hilo	\$ 601,443	\$ 6,014 43	\$ 1,342,859	\$ 13,428 59	\$ 135 00	\$ 2,796 00	\$ 378 00	\$ 37 80	\$ 5,038 00	\$ 100 00	\$ 5,370 00	.....	\$ 33,297 82
N. Hilo	159,776	1,598 20	394,249	3,944 48	5 00	959 50	85 00	8 50	1,710 40	50 00	1,843 80	.....	10,204 88
Hamakua	870,156	8,701 56	823,681	8,236 81	140 00	2,587 00	341 00	33 90	4,660 00	272 00	4,940 00	.....	29,912 27
N. Kohala	841,073	8,410 73	932,205	9,322 05	340 00	1,801 00	303 00	30 30	3,150 00	318 00	3,372 00	.....	27,047 08
S. Kohala	92,550	925 50	174,283	1,742 83	45 00	192 00	86 00	8 60	354 00	16 00	354 00	.....	3,723 93
N. Kona	94,630	946 30	74,745	747 75	.....	465 00	296 00	29 60	762 00	.....	820 00	.....	4,066 65
S. Kona	160,465	1,604 65	66,369	663 69	.....	339 00	236 00	23 50	602 00	12 00	606 00	.....	4,086 84
Kau	466,711	4,667 11	580,044	5,800 44	75 00	1,284 00	374 00	37 40	2,314 00	192 00	2,466 00	.....	17,209 95
Puna	85,439	854 39	56,086	560 86	.....	201 00	126 00	12 60	316 00	2 00	376 60	.....	2,449 45
Total	\$ 3,872,243	\$ 33,722 43	\$ 4,444,521	\$ 44,447 50	\$ 740 00	\$10,624 50	\$ 2,225 00	\$ 222 20	\$18,906 40	\$ 962 00	\$20,148 40	.....	\$131,998 87

MAUI, 1888.

Lahaina	\$ 277,500	\$ 2,775 00	\$ 313,383	\$ 3,133 83	\$ 145 00	\$ 756 00	\$ 240 00	\$ 24 00	\$ 1,358 00	\$ 86 00	\$ 1,468 00	.....	\$ 9,985 83
Hana	205,610	2,056 10	298,238	2,982 38	35 00	1,271 00	338 00	33 80	2,322 00	128 00	2,330 00	.....	11,496 28
Wailuku	1,053,314	10,533 14	1,296,494	12,964 94	585 00	3,632 00	623 00	62 30	6,414 00	398 00	6,852 00	.....	42,064 38
Makawao	983,591	9,835 91	739,795	7,397 95	415 00	1,936 00	477 00	47 60	3,508 00	506 00	3,760 00	.....	27,883 46
Total	\$ 2,520,015	\$ 25,200 15	\$ 2,647,910	\$ 26,479 10	\$ 1,180 00	\$ 7,595 00	\$ 1,678 00	\$ 167 70	\$13,602 00	\$ 1,118 00	\$14,410 00	.....	\$ 91,429 95

KAUAI, 1888.

Lihue	\$ 430,025	\$ 4,300 25	\$ 519,516	\$ 5,195 16	\$ 240 00	\$ 1,109 00	\$ 268 00	\$ 27 80	\$ 2,024 00	\$ 292 00	\$ 2,100 00	.....	\$ 15,556 21
Kawaihau	243,059	2,430 59	384,731	3,847 31	120 00	1,241 00	167 00	16 70	2,254 00	162 00	2,352 00	.....	12,590 60
Koloa	173,642	1,736 42	278,425	2,784 25	155 00	735 00	153 00	15 30	1,418 00	188 00	1,428 00	.....	8,612 97
Waimea	193,665	1,936 65	301,629	3,016 29	150 00	961 00	181 00	18 10	1,814 00	160 00	1,804 00	.....	10,041 04
Hanalei	171,368	1,713 68	499,134	4,991 34	80 00	1,071 00	112 00	11 20	1,836 00	58 00	1,992 00	.....	11,865 22
Total	\$ 1,211,759	\$ 12,117 59	\$ 1,983,435	\$ 19,834 35	\$ 745 00	\$ 5,117 00	\$ 881 00	\$ 89 10	\$ 9,346 00	\$ 860 00	\$ 9,676 00	.....	\$ 58,666 04

MOLOKAI, 1888.

Molokai	\$ 141,295	\$ 1,412 95	\$ 106,552	\$ 1,065 52	\$ 30 00	\$ 441 00	\$ 106 00	\$ 10 60	\$ 748 00	\$ 54 00	\$ 836 00	\$ 4,704 07
---------------	------------	-------------	------------	-------------	----------	-----------	-----------	----------	-----------	----------	-----------	-------	-------------

LANAI, 1888.

Lanai	\$ 28,950	\$ 289 50	\$ 39,800	\$ 398 00	\$ 10 00	\$ 48 00	\$ 16 00	\$ 1 60	\$ 80 00	\$ 18 00	\$ 92 00	\$ 953 10
-------------	-----------	-----------	-----------	-----------	----------	----------	----------	---------	----------	----------	----------	-------	-----------

NIIHAU, 1888.

Niihau	\$ 32,000	\$ 320 00	\$ 34,279	\$ 342 79	\$ 65 00	\$ 41 00	\$ 1 00	\$.10	\$ 68 00	\$ 20 00	\$ 80 00	\$ 937 89
--------------	-----------	-----------	-----------	-----------	----------	----------	---------	--------	----------	----------	----------	-------	-----------

TOTAL, 1888.

Total	\$15,535,808	\$155,358 52	\$15,547,291	\$155,475 20	\$ 6,543 50	\$32,572 90	\$ 6,458 49	\$ 645 10	\$58,078 00	\$ 4,224 20	\$61,744 40	\$ 1,837 99	\$482,938 30
-------------	--------------	--------------	--------------	--------------	-------------	-------------	-------------	-----------	-------------	-------------	-------------	-------------	--------------

N. B.—Since compiling the tables to March 31, 1889, the following taxes for 1888 have been collected, but only partially classified in detail:

Brought over.....\$482,938 30

	General Tax.	School Tax.	Total.
Hawaii	\$ 758 82	\$ 100 00	\$ 858 82
Maui	25 38	.....	25 38
Kauai	244 44	2 00	246 44
Oahu	10,369 82	967 50	11,337 32
Molokai	88 55	.....	88 55
	\$ 11,487 01	\$ 1,069 50	\$ 12,556 51
Huina holookoa, 1888			\$ 495,494 81

RECAPITULATION, 1888.

Oahu	\$ 188,116 20	\$ 17,469 50	\$ 205,585 70
Hawaii	112,609 29	20,248 40	132,857 69
Maui	77,045 33	14,410 00	91,455 33
Kauai	49,234 48	9,678 00	58,912 48
Molokai	3,956 62	836 00	4,792 62
Lanai	861 10	92 00	953 10
Niihau	857 89	80 00	937 89
	\$ 432,690 91	\$ 62,813 90	
Grand Total, 1888			\$ 495,494 81

TAXES—OAHU, 1889.

Districts.	Value Real Estate.	Tax Real Estate.	Value Per. Prop'ty.	Tax Per. Prop'ty.	Carriage.	Poll.	Road.	Carts.	Dogs and Tags.	School.	10 %	Insurance.	Total.
Honolulu	\$ 6,974,652	\$ 69,746 52	\$ 5,651,548	\$ 56,515 48	\$ 3,451 50	\$ 6,599 60	\$ 11,929 00	\$ 920 60	\$ 1,071 95	\$ 12,807 80	.....	\$ 1,224 93	\$ 164,267 38
Ewa me Waianae	564,915	5,649 15	675,754	6,757 54	125 00	1,330 00	2,342 00	112 00	211 20	2,488 00	.....	.....	19,014 89
Waialua	357,779	3,577 79	292,175	2,921 75	210 00	639 00	1,140 00	114 00	126 50	1,188 00	.....	.....	9,917 04
Koolauloa	259,850	2,598 50	149,725	1,497 25	105 00	390 00	620 00	44 00	84 70	732 00	.....	.....	6,071 45
Koolanpoko	543,191	5,431 91	401,544	4,015 44	115 00	1,650 00	2,842 00	184 00	189 20	2,886 00	.....	.....	17,313 55
Total	\$ 8,700,387	\$ 87,003 87	\$ 7,170,746	\$ 71,707 46	\$ 4,006 50	\$ 10,608 60	\$ 18,873 00	\$ 1,374 60	\$ 1,683 55	\$ 20,101 80	.....	\$ 1,224 93	\$ 216,584 31

HAWAII, 1889.

N. Hilo	\$ 166,212	\$ 1,662 12	\$ 421,932	\$ 4,219 32	.....	\$ 786 00	\$ 1,434 00	\$ 46 00	\$ 92 30	\$ 1,516 00	\$ 3 32	.....	\$ 9,759 06
Hilo	749,570	7,495 70	1,505,632	15,056 32	\$ 125 00	3,469 00	6,406 00	124 00	358 60	6,734 00	55 08	.....	39,823 70
Puna	88,241	882 41	42,502	425 02	.....	217 00	340 00	4 00	115 50	406 00	2 05	.....	2,391 98
Kau	594,894	5,948 94	662,185	6,621 85	105 00	1,350 00	2,440 00	210 00	295 90	2,582 00	4 68	.....	19,558 37
S. Kona	124,770	1,247 70	96,342	963 42	5 00	345 00	582 00	10 00	227 70	618 00	05	.....	3,998 87
N. Kona	114,563	1,145 63	125,794	1,257 94	.....	437 00	678 00	.....	335 50	800 00	35	.....	4,654 42
S. Kohala	155,626	1,556 26	152,770	1,527 70	35 00	225 00	382 00	26 00	108 90	396 00	.....	.....	4,256 86
N. Kohala	880,549	8,805 49	899,291	8,992 91	385 00	1,961 00	3,416 00	310 00	338 80	3,746 00	23 20	.....	27,978 40
Hamakua	1,081,625	10,816 25	1,155,326	11,553 26	130 00	2,627 00	4,816 00	308 00	313 00	5,068 00	8 20	.....	35,639 71
Total	\$ 3,956,050	\$ 39,560 50	\$ 5,061,774	\$ 50,617 74	\$ 785 00	\$ 11,417 00	\$ 20,494 00	\$ 1,038 00	\$ 2,186 20	\$ 21,866 00	\$ 96 93	.....	\$ 148,061 37

MAUI, 1889.

Lahaina	\$ 392,327	\$ 3,923 27	\$ 398,784	\$ 3,987 84	\$ 155 00	\$ 817 00	\$ 1,458 00	\$ 78 00	\$ 200 20	\$ 1,554 00	.....	.....	\$ 12,173 31
Hana	307,433	3,074 33	264,792	2,647 92	35 00	1,290 00	2,390 00	134 00	320 10	2,326 00	\$ 8 40	.....	12,225 75
Wailuku	1,115,158	11,151 58	1,281,865	12,818 65	640 00	3,124 00	5,626 00	390 00	558 80	5,936 00	23 64	.....	40,268 67
Makawao	1,466,538	14,665 38	625,310	6,253 10	460 00	2,719 00	4,792 00	484 00	515 90	5,250 00	8 00	.....	35,147 38
Total	\$ 3,281,456	\$ 32,814 56	\$ 2,570,751	\$ 25,707 51	\$ 1,290 00	\$ 7,950 00	\$ 14,266 00	\$ 1,086 00	\$ 1,595 00	\$ 15,066 00	\$ 40 04	.....	\$ 99,815 11

KAUAI, 1889.

Hanalei	\$ 314,362	\$ 3,143 62	\$ 397,996	\$ 3,979 96	\$ 70 00	\$ 1,147 00	\$ 1,998 00	\$ 78 00	\$ 160 60	\$ 2,158 00	.....	.....	\$ 12,735 18
Kawaihau	192,507	1,925 07	465,861	4,658 61	175 00	1,263 00	2,256 00	160 00	163 90	2,392 00	.....	.....	12,993 58
Lihue	523,800	5,238 00	498,476	4,984 76	265 00	1,237 00	2,244 00	300 00	315 70	2,332 00	.....	.....	16,916 46
Koloa	204,882	2,048 82	299,920	2,999 20	165 00	799 00	1,492 00	226 00	306 90	1,536 00	.....	.....	9,572 92
Waimea	221,115	2,211 15	544,475	5,444 75	160 00	979 00	1,800 00	152 00	195 80	1,882 00	.....	.....	12,824 70
Total	\$ 1,456,666	\$ 14,566 66	\$ 2,206,728	\$ 22,067 28	\$ 835 00	\$ 5,425 00	\$ 9,790 00	\$ 916 00	\$ 1,142 90	\$ 10,300 00	.....	.....	\$ 65,042 84

NIIHAU, 1889.

Niihau	\$ 81,075	\$ 810 75	\$ 33,994	\$ 339 94	\$ 65 00	\$ 40 00	\$ 64 00	\$ 14 00	\$ 1 10	\$ 78 00	\$ 1,412 79
--------------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	---------	----------	-------	-------	-------------

MOLOKAI, 1889.

Molokai	\$ 199,755	\$ 1,997 55	\$ 117,674	\$ 1,176 74	\$ 30 00	\$ 459 00	\$ 778 00	\$ 44 00	\$ 138 60	\$ 860 00	\$ 8 98	\$ 5,492 87
---------------	------------	-------------	------------	-------------	----------	-----------	-----------	----------	-----------	-----------	---------	-------	-------------

LANAI, 1889.

Lanai	\$ 28,730	\$ 287 30	\$ 50,680	\$ 506 80	\$ 10 00	\$ 52 00	\$ 90 00	\$ 24 00	\$ 14 30	\$ 100 00	\$ 30	\$ 1,084 70
-------------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	----------	-----------	-------	-------	-------------

GRAND TOTAL, 1889.

	\$ 17,704,119	\$ 177,041 19	\$ 17,212,347	\$ 172,123 47	\$ 7,021 50	\$ 35,951 60	\$ 64,355 00	\$ 4,496 60	\$ 6,761 65	\$ 68,371 80	\$ 146 25	\$ 1,224 93	\$ 537,493 99
--	---------------	---------------	---------------	---------------	-------------	--------------	--------------	-------------	-------------	--------------	-----------	-------------	---------------

RECAPITULATION TAXES, 1889.

Islands—													
Oahu	\$ 8,700,387	\$ 87,003 87	\$ 7,170,746	\$ 71,707 46	\$ 4,006 50	\$ 10,608 60	\$ 18,873 00	\$ 1,374 60	\$ 1,683 55	\$ 20,101 80	.....	\$ 1,224 93	\$ 216,584 31
Hawaii	3,956,050	39,560 50	5,061,774	50,617 74	785 00	11,417 00	20,494 00	1,038 00	2,186 20	21,866 00	\$ 96 93	.....	148,061 37
Maui	3,281,456	32,814 56	2,570,751	25,707 51	1,290 00	7,950 00	14,266 00	1,086 00	1,595 00	15,066 00	40 04	.....	99,815 11
Kauai	1,456,666	14,566 66	2,206,728	22,067 28	835 00	5,425 00	9,790 00	916 00	1,142 90	10,300 00	.....	.....	65,042 84
Niihan	81,075	810 75	33,994	339 94	65 00	40 00	64 00	14 00	1 10	78 00	.....	.....	1,412 79
Molokai	199,755	1,997 55	117,674	1,176 74	30 00	459 00	778 00	44 00	138 60	860 00	\$ 8 98	.....	5,492 87
Lanai	28,730	287 30	50,680	506 80	10 00	52 00	90 00	24 00	14 30	100 00	30	.....	1,084 70
Total	\$ 17,704,119	\$ 177,041 19	\$ 17,212,347	\$ 172,123 47	\$ 7,021 50	\$ 35,951 60	\$ 64,355 00	\$ 4,496 60	\$ 6,761 65	\$ 68,371 80	\$ 146 25	\$ 1,224 93	\$ 537,493 99

TOTAL TAXES COLLECTED 1888 AND 1889.

	General Tax.	School Tax.	Total.
1888	\$ 432,680 91	\$ 62,813 90	\$ 495,494 81
1889	469,122 19	68,371 80	537,493 99
	\$ 901, 03 10	\$ 131,185 70	
Grand Total 1888 and 1889			\$ 1,032,988 80

COMPARATIVE STATEMENT OF ASSESSMENTS, REAL AND PERSONAL PROPERTY FOR NINE YEARS.

	OAHU.		MAUI.		HAWAII.		KAUAI.		Total.
	Real.	Personal.	Real.	Personal.	Real.	Personal.	Real.	Personal.	
1881	\$ 6,471,868	\$ 11,444,557	\$ 2,917,424	\$ 2,294,478	\$ 3,503,565	\$ 1,809,224	\$ 1,156,075	\$ 1,612,146	\$ 31,209,337
1882	6,648,433	10,437,076	2,498,268	2,562,374	4,604,736	2,861,151	1,229,110	1,660,474	32,501,662
1883	7,985,378	7,442,505	2,916,629	4,061,521	4,113,072	4,202,781	1,314,607	2,215,433	34,251,926
1884	8,099,585	8,609,814	2,853,983	3,809,716	3,622,172	3,948,213	1,158,824	2,134,389	34,236,696
1885	8,188,523	8,315,009	2,434,684	3,764,877	3,516,973	4,187,070	1,272,729	2,192,007	33,871,872
1886	8,156,902	8,821,149	3,227,050	3,193,842	2,983,107	5,228,127	1,235,625	2,109,245	34,955,047
1887	8,291,403	7,829,359	2,542,558	2,951,506	2,922,262	4,323,389	1,063,453	2,013,630	31,927,560
1888	9,245,204	7,095,444	2,748,171	2,852,519	3,440,859	4,486,280	1,295,831	2,043,745	33,208,063
1889	8,700,387	7,170,746	3,509,941	2,739,105	3,956,050	5,061,774	1,537,741	2,240,722	34,916,466

COMPARATIVE STATEMENT OF GENERAL AND SCHOOL TAX COLLECTED FOR TEN YEARS.

	Collected.	General.	School.	Total.
1880-81		\$ 596,615 01	\$ 87,322 00	\$ 683,937 01
1882-83		680,397 20	100,278 00	780,675 20
1884-85		696,868 98	115,298 00	812,166 98
1886-87		766,421 76	119,488 00	885,909 76
1888-89		901,803 10	131,185 70	1,032,988 80

